



April 18, 2005

BUREAU CIRCULAR NO. 791

To All Members of the Bureau:

Re: **MANUAL REVISIONS – SECTIONS 2 AND 5**
BUREAU FILING NO. 0501
EFFECTIVE JUNE 1, 2005

- 1) Code 922, Furniture Store – Retail Or Wholesale – No Woodworking
- 2) Code 009, Logging Or Lumbering – All Methods
- 3) Codes 281, Printing, and 282, Newspaper Publishing Or Printing
- 4) Code 954, Security Or Investigative Agency

The Delaware Compensation Rating Bureau, Inc. has filed and the Insurance Commissioner has approved Manual revisions to Sections 2 and 5 pertaining to classification changes in Delaware. These revisions become **effective as of 12:01 a.m., June 1, 2005** with respect to new and renewal business only.

NOTE

The following is important Department of Insurance information pertaining to this filing.

The following requirements are consistent with previous instructions from the Delaware Department of Insurance pertaining to the adoption of revised loss costs resulting from a Bureau filing(s):

Bureau Filing No. 0501 amended Manual language and/or rating values for the following five state coverage classifications: 009,281,282, 922 and 954. In addition, these five new state coverage classifications were added: 015, 285, 287, 904 and 921.

In order to establish approved rates for the classifications affected by Bureau Filing No. 0501, all Bureau members must make expense multiplier filings reflecting the most recent three years of expense data from the Insurance Expense Exhibit subsequent to the approval of the Bureau filing and not later than 90 days after the effective date of approval of the Bureau filing.

As Bureau Filing No. 0501 was approved April 7, 2005 with an effective date of June 1, 2005, carrier expense multiplier filings must be made with the Insurance Department after April 7, 2005 and not later than September 1, 2005. **For any period of time between June 1, 2005 and September 1, 2005 in which a carrier has not yet made the required expense multiplier filing, it must continue to use rates and classifications currently approved for that carrier by the Department of Insurance.**

Carrier filings which produce rates not less than the Bureau loss costs in each classification affected by Bureau Filing No. 0501 will be effective upon filing for use in Delaware. Other carrier filings must specify an effective date not less than 30 days after receipt of the filing by the Department of Insurance.

In the event that any carrier fails to make an expense multiplier filing with the Department of Insurance subsequent to April 7, 2005 and not later than September 1, 2005, the Department of Insurance will impose the approved June 1, 2005 residual market rates by classification for those classifications affected by Bureau Filing No. 0501 as the approved rates for such carrier(s) in those classifications effective September 1, 2005.

The classification revisions, as referenced on Page 1, are discussed below.

1) Code 922, Furniture Store – Retail Or Wholesale – No Woodworking

This revision is the result of a Bureau study of Code 922, which was undertaken to determine the feasibility of separately classifying wholesale dealers to a new classification and to focus the current scope of Code 922 to include retail dealers only and include outside salespersons in the scope. The revisions include the following:

- Code 921, Furniture Store - Wholesale; has been created for wholesale dealers principally engaged in selling furniture and related merchandise.
- Code 922 has been re-titled to "Furniture Store-Retail - All Employees Except Office" and is revised to include employers principally engaged in operating retail store selling furniture and related merchandise. Also, as retail stores typically do not have legitimate outside sales staff, floor salespersons' payroll had been misallocated to Code 951, Outside Salesperson, and will now be included within Code 922.

Manual revisions are shown below:

SECTION 2

CLASSIFICATIONS

ADDITION

921 FURNITURE STORE – WHOLESALE

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard Group III

CHANGE (New wording is underlined; deleted wording is bracketed.)

922 FURNITURE STORE – Retail [or Wholesale]All Employees Except Office– no woodworking.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

SECTION 5

Rulings and Interpretations

ADDITIONS

FURNITURE STORE – WHOLESALE 921

Applies to wholesale dealers principally engaged in selling or renting furniture, including but not limited to: sofas, chairs, tables, beds, bedding, chests, breakfronts, bookcases, pianos, organs, floor coverings (carpet and linoleum) and major household appliances and office furniture. The term "principally engaged" means more than 50 percent of the employer's gross receipts.

Separately staffed installation, service or repair operations shall be separately classified, including but not necessarily limited to the examples listed below:

1. The installation of wall-to-wall carpeting, non-ceramic tile or window coverings shall be assigned to Code 670.
2. The installation, service or repair of major household appliances shall be assigned to Code 662.
3. The service or repair of televisions or other electronic entertainment and communication devices shall be assigned to Code 966.

CHANGES (*New wording is underlined; deleted wording is bracketed.*)

FURNITURE STORE – RETAIL [OR WHOLESALE – NO WOODWORKING] - ALL EMPLOYEES EXCEPT OFFICE – 922

Applies to retail stores [or wholesale dealers] principally engaged in selling or renting furniture including antique furniture for homes, lawns or gardens [,offices or hotels] to the general public and/or in a retail manner. [The furniture may be sold directly from the floor of the store or ordered from catalogs and samples on display in a showroom and subsequently shipped by the store to the customer.] The word "furniture" as used in this classification includes but is not necessarily limited to: living room, dining room, bedroom or kitchen sets and individual pieces such as sofas, chairs, tables, beds, bedding, chests, breakfronts, bookcases, pianos, organs, all types of floor coverings except ceramic tile [(carpet and linoleum)] and major household appliances such as refrigerators, stoves and washing machines.

In addition, furniture stores may sell or rent other merchandise such as lighting fixtures, lamps, stereo equipment, televisions, video and/or audio equipment, small household appliances, mirrors, pictures and kitchen cabinets.

Further included are delivery and setting merchandise in place, hanging pictures or mirrors and polishing and minor repairing of furniture on the insured's premises or at the customer's location.

Where a store sells several types of merchandise, each of which may be subject to a different classification, such store shall be assigned on the basis of the principal category of merchandise sold. The term "principal" means more than 50% of the gross receipts.

All salespersons, including but not limited to floor salespersons, interior designers and decorators, are contemplated by the scope of Code 922 and are not separately classified.

CHANGES (continued)

Operations Not Covered:

Separately staffed installation, service or repair operations shall be separately classified including but not necessarily limited to the examples listed below:

1. The installation of wall-to-wall carpeting, non-ceramic tile or window coverings shall be assigned to Code 670, House Furnishings Installation, N.O.C.
2. The installation, service or repair of major household appliances shall be assigned to Code 662, Household Appliances – Service or Repair.
3. The service or repair of televisions or other electronic entertainment and communication devices shall be assigned to Code 966, Television, Video, Audio or Radio Equipment Service or Repair
4. Assign Code 921 to the wholesale distribution of furniture and related products.

Underwriting Guide

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CHANGES (New wording is underlined; deleted wording is bracketed.)

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The following are the approved residual market rates, loss costs and related rating values:

CODE	APPROVED EFF. 6/1/05 RESIDUAL MKT. RATE	APPROVED EFF. 6/1/05 LOSS COST	RESIDUAL MARKET MINIMUM PREMIUM	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>		
				A-1	A-2	A-3
921	\$ 7.24	\$ 5.34	\$ 1,670	\$ 1.81	\$ 2.02	\$ 2.09
922	6.02	4.44	1,445	1.51	1.68	1.74

2) Code 009, Logging Or Lumbering – All Methods

This revision is a result of a Bureau study of Code 009, which was undertaken to ascertain if mechanized logging businesses should be separated from Code 009 to a new, separate classification. The revisions include the following:

- Code 015, Logging Or Lumbering – Mechanized Tree Felling Equipment, has been erected for logging businesses principally engaged in tree cutting/felling by means of mechanized equipment (a tracked or wheeled unit with an enclosed cab, such as a feller-buncher, that has a fixed-grip harvesting head that can grasp, cut, lift, swing and bunch trees with the operator normally not leaving the enclosed cab during the tree harvesting process).
- Code 009 has been retained and focused upon logging businesses principally engaged in tree cutting/felling by chain saws.

Manual revisions are shown below.

SECTION 2

CLASSIFICATIONS

ADDITION

015 LOGGING OR LUMBERING – MECHANIZED TREE FELLING EQUIPMENT.

Please see the Rulings and Interpretations, Section 5 for further information on the cope of this class.

Hazard Group III

CHANGE (New wording is underlined; deleted wording is bracketed.)

009 LOGGING [or]OR LUMBERING – [All Methods], N.O.C.

Please see..... of this class.

SECTION 5

Rulings and Interpretations

ADDITION

LOGGING OR LUMBERING – MECHANIZED TREE FELLING EQUIPMENT – 015

Applicable to a logging or lumbering business principally engaged in cutting/ felling trees for lumber, wood chips or clearing land by means of mechanized equipment. Mechanized tree felling equipment is a tracked or wheeled unit that has an enclosed cab (e.g., a feller-buncher that has a fixed-grip harvesting head that can grasp, cut, lift, swing and bunch trees), and the equipment's operator does not normally leave the cab in the performance of his tree cutting/felling duties. Stump removal incident to the logging or lumbering business is included.

Also applicable to the transportation of the logs to a sawmill or another type of customer and to the construction, maintenance or extension of landings or logging roads when performed by employees of the logging business.

Sawmill operations conducted by a separate crew of employees shall be assigned to Code 301.

Specialist contractors engaged in hauling logs for an unrelated logging or lumbering business(es) shall be assigned to Code 811. Assign Code 301 to log hauling performed by a sawmill business when all logging or lumbering has been outsourced to an unrelated logging or lumbering business(es).

CHANGES (*New wording is underlined; deleted wording is bracketed.*)

CLEARING OF LAND

Below find the class assigned to payroll developed in each of ~~four~~five different but common types of land clearing or right-of-way clearing or maintenance projects. Such class listing does not waive either the underwriting or payroll division rules delineated in Sections 1 or 2 of this Manual.

1. Assign Code 009 for ~~[all methods of removing standing timber]~~tree cutting/felling by chain saw regardless of tree size and the incident removal of brush and/or stumps.
2. ~~[Assign Code 609 for all methods of clearing or removing brush and/or stump removal not incident to tree removal except for road construction. Such work for a road job or project is subject to Code 602.]~~Assign Code 015 for tree cutting/felling by mechanized equipment regardless of tree size and the incident removal of brush and/or stumps.
3. ~~[Assign Code 005 for all methods of tree pruning, spraying (except aerial tree spraying which is assignable to the applicable aircraft operation class) or trimming including incident tree removal and all incident operations.]~~Assign Code 609 for all methods of clearing or removing brush and/or stump removal not incident to tree removal except for road construction. Such work for a road job or project is subject to Code 602.
4. ~~[Assign Code 012 for brush or weed control using chemicals dispensed from portable or mechanical ground spraying equipment.]~~Assign Code 005 for all methods of tree pruning, spraying (except aerial tree spraying which is assignable to the applicable aircraft operation class) or trimming including incident tree removal and all incident operations.
5. Assign Code 012 for brush or weed control using chemicals dispensed from portable or mechanical ground spraying equipment.

CHANGES (continued)

LOGGING OR LUMBERING, N.O.C. – 009

Applicable to a logging or lumbering business principally engaged in [logging or lumbering by any method]cutting/felling trees for lumber or wood chips or clearing land of trees by chain saws [and] regardless of the trees' size. Stump removal incident [thereto by]to the logging or lumbering business is included.

Also applicable to the transportation of the logs to a mill and to the construction, maintenance or extension of logging roads [or logging railroads] when performed by employees of the logging business.

Sawmill operations..... assigned to Code 301.

Underwriting Guide

ADDITIONS

Logging – By Means of Mechanized Equipment..... 015
Lumbering – By Means of Mechanized Equipment..... 015
Wood Chipping – By The Logging Business At the
Logging Site..... Assign Applicable Logging Class

CHANGES

Logging - [All Methods]By Chain Saws..... 009
Lumbering – [All Methods]By Chain Saws..... 009
Logging Or Lumbering Business - Trucking To Sawmill
Or Unrelated Customer..... [009]Assign Applicable Logging Class

CODE	APPROVED	APPROVED	RESIDUAL MARKET MINIMUM PREMIUM	EXPERIENCE RATING PLAN		
	EFF. 6/1/05 RESIDUAL MKT. RATE	EFF. 6/1/05 LOSS COST		Expected Loss Factors Table		
				A-1	A-2	A-3
009	\$53.58	\$39.58	\$ 3,150	\$13.44	\$14.98	\$15.45
015	43.93	32.46	3,150	11.02	12.28	12.67

3) CODES 281, PRINTING, AND 282, NEWSPAPER PUBLISHING OR PRINTING

This revision is a result of a Bureau study of Codes 281 and 282, which was undertaken to review the feasibility of redefining Delaware's printing business classes on the basis of printing businesses' principal means of production and creating a fourth class for the non-printing businesses presently assigned by analogy to Code 281 (e.g., printers' finishers). The revisions include the following:

- Code 285, Printing – Principally Sheet-Fed Production, has been created for printing businesses principally engaged in sheet-fed press production.
- Code 287, Publisher – Printing Outsourced, Performs Product Distribution, has been created for publishing businesses that outsource printing but that distribute their publication(s).

- The rating values for the Code 281 have been revised to reflect the deletion of those employer groups proposed for separation to Codes 285 or 287.
- The scope of Code 282 remains the same.

Manual revisions are shown below.

SECTION 2 CLASSIFICATIONS

ADDITIONS

285 PRINTING – Principally **SHEET-FED PRESS** Production.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard Group II

287 PUBLISHER – Printing Outsourced, Performs **PRODUCT DISTRIBUTION**.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard Group II

CHANGES (*New wording is underlined; deleted wording is bracketed.*)

281 PRINTING, N.O.C. [- including incidental engraving, and the assembly, stapling or binding of the printing business' products.]

Please see the Rulings and Interpretations, Section 5 for additional information on the scope of this class.

282 NEWSPAPER or Periodical [Printing]**PRINTING** [or **PUBLISHING**] – By Publisher Or Contract Printer.

Please see the Rulings and Interpretations, Section 5 for additional information on the scope of this class.

932 COPYING OR DUPLICATING SERVICE – All [E]employees [I]including [O]office.

[Applicable to the “quick printing” industry wherein risks provide reproduction by means of offset duplicators on paper sizes 17x22 inches or less or electrostatic copiers on paper of any size. Any risk principally engaged in producing reproductions by other means shall be assigned to the appropriate printing class as provided for in this Manual. Code 932 and a printing class shall not be assigned to a risk unless that risk fulfills the multiple enterprise criteria specified in Rule IV, Paragraph C. 3. a. 2.]

Please see the Rulings and Interpretations, Section 5 for additional information on the scope of this class.

SECTION 5

Rulings and Interpretations

ADDITIONS

PRINTING, N.O.C. – 281

Applicable to printing businesses principally engaged in the reproduction of printed products or providing one or more printing industry services pursuant to a Code 281 Underwriting Guide entry or printed products that are not specifically classified by an Underwriting Guide entry. Also includes the bindery department that finishes the employer's print production. Finishing may include but is not necessarily limited to: collating, cutting-to-size, including die cutting, scoring and perforating, rounding corners, tab cutting, folding, drilling or punching holes, stapling, sewing, wire stitching, gluing – perfect binding, laminating, foil stamping or embossing.

OPERATIONS ALSO INCLUDED:

(Businesses principally engaged in one or more of the following activities)

1. The screen printing of any product including finished apparel articles.
2. Web-press production of printed product either specifically assigned to Code 281 or not specifically classified by an Underwriting Guide entry (e.g., books, business forms, direct mail advertising).
3. Service contractors to the printing industry (e.g., printers' finishers).
4. Specialist contractors decorating china or glassware by means of purchased or customer-provided decals, the cutting or engraving of glassware, engraving per se or making printing plates.
5. The manufacture of plastic or vinyl sign letters and the application of such onto a substrate – shop only, no installation.
6. The manufacture of rubber stamps.

OPERATIONS NOT INCLUDED:

1. Assign Code 136 to embroidery operations performed by an embroidery business or a separate staff in a physically separate work area.
2. Assign Code 265 to a manufacturer of stationery products including but not necessarily limited to loose-leafed or ringed binders, envelopes, notebooks or file folders.
3. Assign Code 282 to a newspaper or periodical publisher who also prints the newspaper or periodical or to a contract printer principally engaged in printing any product(s) denoted in a Code 282 Underwriting Guide entry by means of a web press(es).
4. Assign Code 285 to printing businesses principally engaged in providing customer copy reproduction by means of sheet-fed offset printing presses that utilize paper sheet sizes greater than 17x22 inches or that have four or more color towers, regardless of the paper sheets' size, or any Halm envelope printing unit, or another sheet-fed unit/printing technique (e.g., letterpress) on paper sheets of any size.
5. Assign Code 932 to printing businesses providing customer copy reproduction by means of small offset presses, also known as duplicators, on paper sheet sizes 17x22 inches or less or electrostatic (photo) copiers on paper of any size.
6. Assign Code 948 to a business that performs printing and direct mailing, provided that more than 50 percent of the print production is used as direct mail.
7. Code 281 and another printing class (Codes 257, 259, 261, 263, 265 or 948) will not be assigned to any printing business unless that business fulfills the multiple enterprise criteria specified in Rule IV, Paragraph C. 3. a. 2.
8. Code 281 may not be assigned when printing operations are a General Inclusion into the business' governing classification.

ADDITIONS (continued)

NEWSPAPER OR PERIODICAL PRINTING – 282

Applicable to businesses principally engaged as a newspaper(s) publisher or the publisher of another type of publication(s)/intellectual property assigned to Code 282 by Underwriting Guide entry who also prints the newspaper(s) or other publication(s)/intellectual property. Also applicable to printing businesses principally engaged in printing newspapers or another publication(s)/intellectual property specifically assigned to Code 282 by an Underwriting Guide entry for unrelated customers. The newspaper(s) or other type(s) of publication(s)/intellectual property will be printed by means of a web press(es), regardless of whether the publisher or a contract printer performs the printing.

OPERATIONS ALSO INCLUDED:

1. A newspaper's pages may be cut, collated and folded by the web press. Inserts may be placed into the newspaper by inserting machine or by hand. The newspapers may be tied into bundles and delivered either by the publisher and/or contract printer or by independent delivery contractor(s).
2. A periodical may be finished by performing one or more of the tasks listed below: collating, cutting-to-size, including die cutting, scoring and perforating, rounding corners, tab cutting, folding and gluing – perfect binding. The periodical publisher and/or contract printer may further mail the periodical to subscribers.

OPERATIONS NOT INCLUDED:

1. Code 282 and another printing class will not be assigned to any publishing and/or printing business unless that business fulfills the multiple enterprise criteria specified in Rule IV, Paragraph C. 3. a. 2.

PRINTING – PRINCIPALLY SHEET FED PRESS PRODUCTION – 285

Applicable to printing businesses principally engaged in providing customer copy reproduction by means of sheet-fed offset printing presses that utilize paper sheet sizes greater than 17x22 inches or that have four or more color towers, regardless of the paper sheets size, or any Halm envelope printing unit or another sheet-fed press printing technique (e.g., letterpress) on paper sheets of any size. Also includes the bindery department that finishes the employer's print production. Finishing may include but is not necessarily limited to: collating, cutting- to-size, including die cutting, scoring and perforating, rounding corners, tab cutting, folding, drilling or punching holes, stapling, sewing, wire stitching, gluing – perfect binding, laminating, foil stamping or embossing.

OPERATIONS NOT INCLUDED:

1. Assign Code 281 to printing businesses principally engaged in providing customer copy reproduction of printed products or providing printing industry services pursuant to a Code 281 Underwriting Guide entry or that are not specifically classified by an Underwriting Guide entry.
2. Assign Code 932 to printing businesses principally engaged in providing customer copy reproduction by means of small offset presses, also known as duplicators, on paper sheet sized 17x22 inches or less or electrostatic copiers on paper of any size.
3. Code 285 and another printing class will not be assigned to any printing business unless that business fulfills the multiple enterprise criteria specified in Rule IV, Paragraph C. 3. a. 2.

ADDITIONS (continued)

PUBLISHER – PRINTING OUTSOURCED, PERFORMS PRODUCT DISTRIBUTION – 287

Applicable to businesses principally engaged as the publisher of any type of publication (e.g., books, sheet music, greeting cards, newspapers) who outsources the printing thereof to an unrelated concern. Such businesses may have a separate staff(s) engaged in editing manuscripts (e.g., books, sheet music), performing art work (e.g., greeting cards) or gathering information and writing articles (e.g., for a newspaper) and performing prepress (the preparatory steps prior to actually printing product) operations and another separate staff engaged in the distribution and/or delivery of the publication. Distribution and/or delivery tasks may include but are not necessarily limited to: receiving printed publications from unrelated printers and placing into inventory, receiving pick tickets for orders, pulling the indicated publications from inventory and packing for shipping, cutting sheets of greeting cards printed by an unrelated concern(s) into individual cards, folding and placing cards into boxes or placing cards into inventory and packaging for shipment, picking up the printed publication at the unrelated printer's facility, labeling individual publications for mailing, placing the labeled publications into mailbags, delivering the mailbags to the post office, bundling publications and delivering bundled publications to stores for sale.

OPERATIONS NOT INCLUDED:

1. Assign the appropriate printing class as provided in this Manual to any publisher who also prints their publication(s).
2. Assign the appropriate printing class to a publisher who outsources the printing and distribution of their publication(s) but who has a separate staff in a physically separate work area printing non-publication product(s) for unrelated customers.
3. Code 287 and a printing class will not be assigned to any publishing business unless that business fulfills the multiple enterprise criteria specified in Rule IV, Paragraph C.
 3. a. 2.

COPYING OR DUPLICATING SERVICE – 932

Applicable to printing businesses principally engaged in providing customer copy reproduction by means of small offset presses (with no more than two color towers), also known as duplicators, on paper sheet sizes 17x22 inches or less or electrostatic copiers on paper of any size. Such businesses also typically provide postpress bindery service that finishes the printed product. Finishing may include but is not necessarily limited to: collating, cutting to size, including die cutting, scoring and perforating, rounding corners, tab cutting, folding, drilling or punching holes, stapling, sewing, wire stitching, gluing – perfect binding, laminating, foil stamping or embossing.

OPERATIONS NOT INCLUDED:

1. A printing business principally engaged in the reproduction of customer copy by other means shall be assigned to the appropriate printing class as provided for in this Manual.
2. Code 932 and another printing class shall not be assigned to any printing business unless that business fulfills the multiple enterprise criteria specified in Rule IV, Paragraph C. 3. a. 2.

CHANGE (New wording is underlined; deleted wording is bracketed.)

Code 259, PAPER PRODUCTS MFG., N.O.C.

Applicable to businesses principally engaged in the manufacture of [a wide variety of] one or more converted paper products that are not otherwise classified by either Codes 257, 261, 263 or 265. These products include[,] but are not necessarily limited to: paper towels, [toilet] products made from tissue paper, paper cups or plates, [tissues] holiday or party decorations, party favors, mailing tubes, paper cans, paper bags or doilies [.] and paper sheeting, slitting or winding.

CHANGE (continued)

[Rolls of plain paper or paper of various types (e.g., tissue or crepe) are received from others. These rolls are loaded onto a paper sheeter which will cut the paper to the desired product dimensions. Embossing and/or perforating operations may be performed. The paper may either be rolled onto a smaller tube (e.g., paper towels) and then packed and shipped or will undergo further processes to reach its desired product form (e.g., paper plates).]

Any [P]printing conducted by a paper products manufacturer not otherwise classified (Code 259) business on its [own] products is [construed to be] incident to such enterprise and is not subject to separate classification. [There shall be no payroll division between Code 259 and Code 281 unless the employer fulfills the multiple enterprise criteria delineated in Rule IV, Section 1 of the Manual.]

OPERATIONS NOT INCLUDED:

There shall be no payroll division between Code 259 and any printing classification unless the employer fulfills the multiple enterprise criteria delineated in Rule IV, Section 1 of the Manual.

Underwriting Guide

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CODE	APPROVED	APPROVED	RESIDUAL MARKET MINIMUM PREMIUM	EXPERIENCE RATING PLAN		
	EFF. 6/1/05 RESIDUAL MKT. RATE	EFF. 6/1/05 LOSS COST		Expected Loss Factors Table		
				A-1	A-2	A-3
281	\$ 5.59	\$ 4.13	\$ 1,360	\$ 1.25	\$ 1.48	\$ 1.49
285	5.83	4.31	1,405	1.31	1.54	1.56
287	5.93	4.38	1,425	1.33	1.57	1.59
297	5.59	4.13	1,360	1.25	1.48	1.49

4) CODE 954, SECURITY OR INVESTIGATIVE AGENCY

These revisions are a result of a Bureau study of Code 954, which was undertaken to whether security services and investigative service businesses should continue to remain assigned to the same classification. The revisions include the following:

- Code 904, Investigative Agency, has been created to contemplate all employees except office.
- The scope of existing Code 954 is focused on security agencies, automobile repossession contractors or parking enforcement by parking authorities.

Manual revisions are shown below.

SECTION 2 CLASSIFICATIONS

ADDITION

904 INVESTIGATIVE AGENCY - All Types – All employees except office.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard group III

CHANGE (New wording is underlined; deleted wording is bracketed.)

954 **SECURITY [OR INVESTIGATIVE] AGENC[IES]**.

[Agencies which also install or repair burglar alarm systems with a separate crew of employees shall be authorized the use of Code 660 for such work.]

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

SECTION 5 Rulings and Interpretations

ADDITIONS

INVESTIGATIVE AGENCY – 904

An investigative agency is principally engaged in gathering information for clients (e.g., insurance companies or other businesses, attorneys or private persons) for one of a number of reasons (e.g., fraud or another crime, matrimonial or child custody disputes). To accomplish this overall goal, an investigator's duties may include but are not necessarily limited to the tasks discussed below. The investigator may review public records (e.g., at a court house), interview the "subject's" neighbors, coworkers or acquaintances and/or conduct surveillance of the investigation's "subject." When surveillance is conducted, the investigator may take still photographs or video the "subject's" movements (e.g., to document insurance fraud). The investigator will prepare a written report of the findings and concurrently submit the photographs or videotape, as warranted.

OPERATIONS NOT COVERED:

1. Assign Code 660 to a separate alarm installation and/or repair crew.
2. Assign Code 954 to a separate security guard crew.

ADDITIONS (continued)

SECURITY AGENCY – 954

A security agency may also be known as a guard and patrol service. Such businesses are principally engaged in providing unrelated private sector or government customers with armed or unarmed private security personnel (also known as security officers) to guard the customer's premises and surrounding property against unlawful or undesirable activities (e.g., fire, theft, vandalism). To accomplish these overall goals, a guard/security officer's duties may include but are not necessarily limited to the tasks discussed below. A guard may control access to the customer's building or another off-road site (e.g., construction), direct traffic onto or off of the customer's premises and answer telephones. A guard's duties may be stationary (when the guard is assigned to a fixed location) or mobile (in a car covering a specified area). A guard may conduct a walking tour of the assigned location and/or monitor closed circuit television cameras. A security guard (e.g., in a retail store) may wear ordinary clothing, but typically a security guard will wear a uniform with a badge that clearly identifies the person as a security guard and designates the guard's employer. A security guard may maintain a logbook or write a report on their work shift activities and observations. Private security guards generally do not have police powers, but store guards will act to stop shoplifters (turning suspects over to the local police) and armed guards may act to stop robberies (e.g., in a bank) or, if acting as bodyguards, to protect the client(s) before the police can arrive.

OPERATIONS NOT COVERED:

1. Assign Code 660 to a separate crew that installs or repairs alarms.
2. Assign Code 904 to a separate crew engaged in performing any type of investigations for unrelated customers.

Underwriting Guide

ADDITION

Guard Or Patrol Service - By Contractor..... 954

CHANGES (New wording is underlined; deleted wording is bracketed.)

Detective Agency..... [954]904
 Investigative Agency - All Types..... [954]904
 Security [Or Investigative] Agency..... 954

DELETIONS

Airport Passenger Screening, By Contractor..... 954
 Security Check, Airport Passenger Screening, By Contractor..... 954

CODE	APPROVED EFF. 6/1/05 RESIDUAL MKT. RATE	APPROVED EFF. 6/1/05 LOSS COST	RESIDUAL MARKET MINIMUM PREMIUM	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>		
				A-1	A-2	A-3
904	\$ 6.43	\$ 4.75	\$ 1,525	\$ 1.61	\$ 1.80	\$ 1.85
954	6.51	4.81	1,540	1.63	1.82	1.88

These Manual revisions will be updated on our website (www.dcrb.com) at a later date.

Timothy L. Wisecarver
President

TLW/kg
D Circ

Remember to visit our web site at www.dcrb.com for more information about this and other topics.